

Message Text

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PAGE 01 MANILA 11299 210748Z
ACTION TRSE-00

INFO OCT-01 EA-07 ISO-00 AID-05 CIAE-00 COME-00 EB-07
FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03
SP-02 LAB-04 EPG-02 SIL-01 OMB-01 NSC-05 SS-15
STR-04 CEA-01 L-03 H-01 IO-13 PA-01 PRS-01 /095 W
-----031690 220752Z /13
P 220639Z JUL 77
FM AMEMBASSY MANILA
TO SECSTATE WASHDC PRIORITY 2687

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USADB

PASS TREASURY FOR BRADFORD

E.O. 11652: ADS, DECLAS 12/31/77
TAGS: EAID, EFIN
SUBJECT: REVIEW OF ADB LENDING RATE

REF: (A) STATE 156569, (B) MANILA 10535, (C) MANILA 10569

1. DIRECTORS REPRESENTING DEVELOPED MEMBER COUNTRIES HAVE NOT RECEIVED GUIDANCE AS YET FROM THEIR RESPECTIVE GOVERNMENTS ON BANK'S PROPOSAL TO LOWER LENDING RATE FROM 8.70 PERCENT TO 8.25 PERCENT FOR LOANS FROM ORDINARY CAPITAL RESOURCES APPROVED ON OR AFTER JULY 1, 1977.

2. AUSTRALIAN DIRECTOR PERSONALLY MIGHT BE INCLINED TO AGREE RELUCTANTLY WITH PROPOSED RATE BUT WOULD AT SAME TIME WANT TO SEE COMMITMENT CHARGE INCREASED AND AGREEMENT OF MANAGEMENT TO REVIEW LENDING RATE IN OCTOBER IF WORLD BANK RATE WERE TO BE RAISED AGAIN. HOWEVER, HIS GOVERNMENT MAY TAKE HARDER POSITION ON RATE ITSELF.

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3. CANADIAN DIRECTOR MIGHT BE INCLINED TO AGREE TO 8.25 RATE, BUT HE WOULD WANT AS QUID PRO QUO CHANGE IN BANK POLICY TO PROVIDE FOR REVIEW OF LENDING RATE EVERY SIX MONTHS. OTHERWISE HE WOULD CONSIDER EXERCISE AS JUST INTERIM MEASURE AND WOULD FAVOR LIMITING REDUCTION TO 8.45-8.50.

4. UNITED KINGDOM DIRECTOR BELIEVES SOME DOWNWARD ADJUST-

MENT MUST BE EXPECTED. HE FEELS 8.50 MIGHT BE GOOD
NEGOTIATING TACTIC BUT DOUBTS WHETHER RATE CAN BE HELD
AT THAT FIGURE. HE WOULD PERSONALLY FAVOR OPPOSING
FURTHER REVIEW OF RATE IN OCTOBER BUT WOULD NOT OBJECT TO
SPI-ANNUAL REVIEW.

5. JAPANESE DIRECTOR WOULD APPEAR TO BE EXPECTING THAT
HIS GOVERNMENT WOULD SUPPORT MANAGEMENT PROPOSAL. ON
BASIS THIS ASSUMPTION, HE IS LIKELY TO TAKE BACK SEAT
IN BOARD DISCUSSION AND LET OTHERS THRASH IT OUT. FYI:
HE PERSONALLY FEELS FORMER PRESIDENT'S DECISION TO REDUCE
COMMITMENT CHARGE WAS REGRETTABLE. END FYI.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DEVELOPMENT LOANS, INTEREST RATES
Control Number: n/a
Copy: SINGLE
Sent Date: 22-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MANILA11299
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Document Unique ID: 00
Drafter: n/a
Enclosure: DG ALTERED
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770260-1264
Format: TEL
From: MANILA
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19770729/aaaaazbg.tel
Line Count: 75
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e4c35b65-c288-dd11-92da-001cc4696bcc
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Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Review Date: 23-Feb-2005 12:00:00 am
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Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1777326
Secure: OPEN
Status: NATIVE
Subject: REVIEW OF ADB LENDING RATE
TAGS: EAID, EFIN, RP, ADB
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Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/e4c35b65-c288-dd11-92da-001cc4696bcc
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